

# Maurice Hinchey NEWS

## 22nd CONGRESSIONAL DISTRICT, NEW YORK

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### HINCHEY SAYS BUSH PLAN HURTS NEW YORK

ALBANY - U.S. Representative Maurice Hinchey (NY-22) today said President Bush's economic plan will fail to spur economic growth, will cost New Yorkers jobs, and will leave working families in the state much worse off. Hinchey spoke at a press conference he held along with U.S. Representative Michael McNulty (NY-21), Statewide Senior Action of New York State, Citizen Action of New York, the Fiscal Policy Institute, SENSES, and New Yorkers for Fiscal Fairness.

"President Bush calls his plan 'economic stimulus', but it's nothing of the sort," said Hinchey. "Any benefit it might have goes to the wealthiest individuals in the country, who are not likely to put money back into the economy. Spending by the middle-class is the only thing keeping this economy afloat. The president's plan ignores that. It provides no short-term boost to the economy at all. In the long-term it actually reduces the number of jobs available to New Yorkers by over 45,000. This is the old trickle-down effect, but it's the tax burden that's trickling down from the wealthy to working families and from the federal to state and local levels."

The press conference participants released a new report showing the damaging effect of the Bush Administration's economic plan on New York State. The report points out that the Bush plan would:

- cost the U.S. Treasury \$2.2 trillion over the next ten years, producing federal budget deficits for decades to come;
- worsen the fiscal deficits of New York State and New York City by at least \$3.4 billion;
- reduce the number of jobs available to New Yorkers by 45,770 over the next ten years;
- give 50 percent of New York taxpayers a tax cut of less than \$100, while providing the wealthiest one percent of New Yorkers with an average cut of \$48,239;
- have an immediate adverse effect on lower- and middle-income families by causing deeper state budget cuts and higher interest rates.

"It is clear that under any and all circumstances, the Bush Administration only wants to cut taxes for the wealthiest Americans," Hinchey added. "Whether we have massive budget surpluses, as we did when he took office, or the record deficits we now have as the result of his policies, President Bush says the answer is a big tax cut for the rich. Meanwhile, states and municipalities are being forced to raise taxes as they struggle to provide necessary services like health care and education that benefit everyone. Between that and the inevitable rise in interest rates that will result from the huge budget deficits, the president's tax cut will end up being a serious net loss for working families in New York."